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Before the  
Federal Communications Commission  
Washington, D.C. 20554

SEP 24 2003

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of	)	
	)	
Telecommunication Relay Services and	)	
Speech-to-Speech Services for	)	CC Docket No. 98-67
Individuals with Hearing and Speech	)	
Disabilities	)	
	)	CG Docket No. 03-123
	)	
Americans With Disabilities Act of 1990	)	

**COMMENTS OF THE  
NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.**

The National Exchange Carrier Association, Inc. (NECA)<sup>1</sup> submits these comments in response to the Commission's *Notice of Proposed Rulemaking* (NPRM) in the above-captioned proceeding.<sup>2</sup> NECA's comments are limited to the question of whether the Commission has authority to establish a coordinated national Telecommunications Relay Service (TRS) consumer outreach program funded from the interstate shared funding mechanism.

In connection with considering expansion of TRS outreach requirements, the Commission asks for comment on possible funding mechanisms for a coordinated outreach campaign, including whether the Interstate TRS Fund may be used to

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<sup>1</sup> NECA is a not-for-profit corporation responsible under Subpart G of the Commission's Part 69 rules for administering interstate access charge pools for participating local exchange carriers (LECs) and the TRS Fund.

<sup>2</sup> Telecommunication Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CC Docket No. 98-67, Americans With Disabilities Act of 1990, CC Docket No. 03-123, *Notice of Proposed Rulemaking*, 18 FCC Rcd 12379 (2003) (NPRM).

compensate non-providers for the cost of the outreach program.<sup>3</sup> The Commission also asks for comment on whether the states must pay for portions of an outreach campaign designed for implementation at the state level.<sup>4</sup>

The attached legal memorandum confirms that the FCC has the authority to direct the establishment of a coordinated national consumer outreach program for TRS and to order that the costs for such a program be reimbursed from the interstate TRS fund, regardless of whether those expenses are incurred by TRS providers or non-providers.

As explained in the memo, the interstate fund was established as a cost effective, efficient means for carriers to satisfy their obligations to provide TRS by making payments into a fund, which could then be used to reimburse providers for the costs of interstate TRS. If carriers can satisfy their obligations to provide TRS by making payments into a fund, it follows that the fund may also be used as a means for carriers to satisfy their interstate outreach obligations. The Act also makes clear that carriers may fulfill their TRS responsibilities either individually, jointly or through designees. There is no reason why the Commission should limit reimbursement for outreach programs to TRS providers.

The memo further concludes that requiring carriers to make such contributions would not constitute an unlawful tax, and shows that there is no requirement under any applicable statutes or rules for the FCC to allocate costs or otherwise require a

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<sup>3</sup> *Id.* at ¶ 133.

<sup>4</sup> *Id.*

contribution from state TRS funds simply because interstate outreach efforts may incidentally promote usage of intrastate TRS services.

Respectfully submitted,

NATIONAL EXCHANGE CARRIER  
ASSOCIATION, INC.

By: /s/ Richard A. Askoff  
Richard A. Askoff  
Its Attorney

September 24, 2002

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**TO:** NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.  
**DATE:** September 24, 2003  
**RE:** The FCC's Authority to Direct a Consumer Outreach Program Funded from TRS Fees

## Introduction and Summary of Conclusions

The National Exchange Carrier Association, Inc. ("NECA") has requested an analysis of the authority of the Federal Communications Commission ("FCC" or "Commission") to direct the establishment of a coordinated national consumer outreach program for Telecommunications Relay Service ("TRS") in order to educate both those persons with hearing or speech impairments and those persons without such impairments about the availability and workings of TRS. According to the FCC's proposal, the coordinated national outreach program would be operated from the TRS fund, which is administered by NECA.

It seems quite plain that the FCC has the authority to direct the establishment of a nationwide, coordinated consumer outreach program for TRS and to order that the costs for such a program be reimbursed from the TRS fund. Additionally, the law clearly holds that these TRS funds, which are paid by carriers and their customers on a mandatory basis, are not taxes. Finally, there is no requirement under any applicable statutes or rules for the FCC to require a contribution from state TRS funds to the federal outreach program because that program may also promote increased use of TRS for intrastate calls.

## Background

In its *R&O and FNPRM*,<sup>1</sup> the FCC sought comments as whether it should implement a nationwide outreach program<sup>2</sup> for TRS and appropriate funding mechanisms for such a program. The

<sup>1</sup> *Telecommunications Relay Service and Speech-to-Speech Services for Individuals with Hearing and Speech Difficulties*, Report & Order and Further Notice of Proposed Rulemaking, 15 FCC Rcd 5140, at ¶¶134-36 (2000) ("*R&O and FNPRM*").

<sup>2</sup> The FCC's rules (47 C.F.R. §64.604(c)(3)) already require some level of consumer education and outreach. However, many believe that the existing outreach requirements are inadequate since many members of the general public and even some hearing- or speech-impaired individuals, along with senior citizens, are not generally aware of the availability of TRS. *R&O and FNPRM*, at ¶104

resulting comments did not evidence existence of a consensus position on the important funding issue.<sup>3</sup> Various commenting parties supported funding a nationwide outreach program from the TRS fund. On the other hand, one alternative opinion expressed was that the FCC did not have authority to fund such a program from the TRS fund, but must, instead, use its own appropriated revenues for such outreach.<sup>4</sup>

In light of these divergent views, the FCC determined that its record was inadequate and sought further comments. Several of the issues included for comment are: How such a nationwide campaign should be funded, whether such financial support should come from the TRS fund that is paid by carriers, and whether any portions of an outreach campaign that were focused on intrastate aspects of TRS should be reimbursed or otherwise paid by the states?<sup>5</sup>

### **The Legislative History of the ADA Supports the Establishment of a National Outreach Program for TRS**

In 1990, Congress enacted Section 225 of the Communications Act of 1934, as amended (“34 Act”),<sup>6</sup> as an important component of the Americans With Disabilities Act (“ADA”).<sup>7</sup> According to the FCC, Section 225 of the 34 Act:

directs the Commission to ensure that telecommunications relay services (TRS) “are available, to the extent possible and in the most efficient manner,” to individuals with hearing and speech disabilities in the United States. The provision further requires that TRS facilitate the ability of individuals with hearing or speech disabilities to communicate over the telecommunications network in a manner that is “functionally equivalent” to the ability of individuals who do not have such disabilities. A fundamental purpose of section 225 is to remove communication barriers within the nation’s telecommunications network that have deprived individuals with hearing and speech disabilities of meaningful

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<sup>3</sup> *Telecommunications Relay Service and Speech-to-Speech Services for Individuals with Hearing and Speech Difficulties and Americans with Disabilities Act*, Second Report & Order, Order on Reconsideration and Further Notice of Proposed Rulemaking, CC Docket No. 98-67 and CG Docket No. 03-123, FCC 03-112, at ¶79 (rel. June 17, 2003) (“2<sup>nd</sup> R&O and FNPRM”)

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*, at ¶113.

<sup>6</sup> 47 U.S.C. §225.

<sup>7</sup> P.L. 101-336, §401, 104 Stat. 327, 336-69 (1990).

opportunities to participate in the economic and social mainstream of American life.<sup>8</sup>

In its 1990 Report on the ADA, the House of Representatives noted that: "The inability of over 26 million [hearing- and speech-impaired] Americans to access fully the Nation's telephone system poses a serious threat to the full attainment of the goal of universal service."<sup>9</sup> By imposing a requirement that every common carrier provide TRS, directly, collectively or through third-party contractors, Congress intended to "bridge the gap between the communications-impaired telephone user and the community at large," and noted that. "to participate actively in society, one must have the ability to call friends, family, businesses and employers."<sup>10</sup> TRS, by linking a speech- or hearing-impaired individual with a non-impaired individual through a human communications assistant or through an electronic device, provides the communications bridge desired by Congress in the ADA.

For the bridge to operate, however there must be awareness, both among the speech- and hearing-impaired communities and among the general public of the availability of TRS and an understanding of how it works. For example, TRS enables a hearing impaired person to contact and communicate with a prospective employer. Yet, unless both the prospective employee and, possibly even more important, the prospective employer, know about TRS and comprehend its workings, TRS has little value to either party. A firm's Human Resources Department employee who is not familiar with TRS might be taken aback, confused or even somewhat fearful of a call from the relay operator if the employee was not familiar with how TRS works. Under these assumptions, it is quite possible that the employee might believe that he or she had become the victim of a prank call and, simply, hang up the phone.

On the other hand, if more Americans were aware of TRS and its operations, more people without hearing or speech impairments would likely be more comfortable with participating in TRS calls because of both the outreach campaign and the increased likelihood of having already participated in a TRS call. Broader public awareness of TRS would clearly advance the Congressional intent that the communications gap between the "communications-impaired telephone user and the community at large" be bridged. It seems quite apparent that increased public awareness can come only through greater consumer education and other outreach efforts.

Moreover, in deciding to authorize an outreach program, the FCC considered solid evidence of the efficacy of added consumer outreach efforts in stimulating TRS usage, in the form of the success of Maryland's TRS outreach program. In initially proposing TRS outreach with the associated financial resources coming from the TRS fund, the FCC based its recommendations on "the success of Maryland's apparently effective advertising campaign, which included television advertisements. Maryland asserts that as a result of its campaign, public awareness is at an all-time high, telephone

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<sup>8</sup> *FCC Mandates Nationwide Implementation of 711 Access to Telecommunications Relay Services (TRS)*, News Release, NRCC 0038 (July 21, 2000).

<sup>9</sup> H.R. Rep. 101-336, at 129, *reprinted in* 1990 U.S.C.C.A.N. 267, 412 ("ADA Committee Report").

<sup>10</sup> *Id.*, at 129, 1990 U.S.C.C.A.N., at 413.

inquiries to the state's Maryland Relay customer service department for information regarding relay have risen dramatically, and call volumes to the relay center have increased."<sup>11</sup>

Maryland had informed the FCC that the State had:

begun a coordinated and comprehensive outreach effort to educate the general public about the availability and utilization of TRS. Through bill stuffers, newspaper ads, and television advertisements, public awareness is at an all time high. Telephone inquiries to the State's Maryland Relay customer service department for information regarding relay have risen dramatically. In June 1998, over 1700 calls requesting information about relay service and our equipment distribution were taken. This, compared to an average monthly inquiry of less than two hundred calls, leads us to believe our advertising campaign is on the road to success. Call volumes measured at the Maryland Relay center, which had been flat for almost a year have begun to show an increase as a result of these outreach efforts.<sup>12</sup>

Also, it has been long-settled that TRS functions need not be performed directly by carriers themselves, but may be provided by third-party contractors, which may or may not be carriers themselves, and funded by the carriers and, ultimately, their customers. Indeed, Section 225(c) of the 34 Act states, in applicable part:

Each common carrier providing telephone voice transmission services shall, not later than 3 years after the date of enactment of this section, provide in compliance with the regulations prescribed under this section, throughout the area in which it offers service, telecommunications relay services, individually, through designees, through a competitively selected vendor, or in concert with other carriers.<sup>13</sup>

The FCC later determined that it should require shared funding, based a carrier's proportionate segment of interstate revenues, to support the provision of interstate TRS services.<sup>14</sup>

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<sup>11</sup> *R&O and FNPRM*, at ¶134 (footnote omitted).

<sup>12</sup> Comments of the State of Maryland Department of Budget and Management, filed in CC Docket No. 98-67, at 12-13 (July 20, 1998).

<sup>13</sup> 47 U.S.C. §225(c). See also, *Telecommunications Services for Individuals with Hearing and Speech Disabilities*, and *The Americans with Disabilities Act of 1990*, Report & Order and Request for Comments, 6 FCC Rcd 4567 (1991) ("1991 R&O") (subsequent history omitted).

<sup>14</sup> *Telecommunications Services for Individuals with Hearing and Speech Disabilities*, and *The Americans with Disabilities Act of 1990*, Order on Reconsideration, Second Report & Order and Further Notice of Proposed Rulemaking, 8 FCC Rcd 1802 ("2<sup>nd</sup> R&O"); Third Report & Order ("3<sup>rd</sup> R&O"), 8 FCC Rcd 5300 (1993).

In sum, it seems quite apparent that Congress gave the FCC broad authority over TRS in order to satisfy the communications needs of speech- and hearing-impaired citizens and to integrate the communications of the impaired and non-impaired communities through TRS. Therefore, it would be inconceivable that a court would not readily approve any reasonable TRS outreach program and funding thereof, pursuant to Section 225 of the 34 Act.

### **The FCC's Broad Ancillary Jurisdiction and Examples of FCC Customer Education & Outreach Programs**

Even if it were not implicit in Section 225 of the 34 Act that the FCC is authorized to establish a national coordinated outreach program for TRS, such power is certainly a part of the FCC's very broad ancillary jurisdiction contained in Section 4(i) of the 34 Act.<sup>15</sup> That section reads as follows: "The Commission may perform any and all acts, make such rules and regulations, and issue such orders, not inconsistent with this Act, as may be necessary in the execution of its functions." The courts have generally held that this authority is very broad. The Commission has a comprehensive mandate to regulate interstate (and in the case of Section 225, intrastate) communications by wire or radio, with "not niggardly but expansive powers."<sup>16</sup> There are many court cases interpreting the FCC's ancillary jurisdiction quite expansively.<sup>17</sup>

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<sup>15</sup> 47 U.S.C. §154(i)

<sup>16</sup> *U.S. v. Southwestern Cable Co.*, 392 U.S. 157, 173 (1968), citing *National Broadcasting Co. v. FCC*, 319 U.S. 190, 219 (1943).

<sup>17</sup> For example, the Seventh Circuit has held that the FCC had authority pursuant to Section 4(i) to require the Bell Operating Companies ("BOCs") to submit capitalization plans to the Commission for prior approval for the BOCs' separate affiliates that would sell or lease terminal equipment, even though the FCC had no comprehensive authority to regulate holding companies that controlled the BOCs or their affiliates. *North American Telecom. Ass'n v. FCC*, 772 F.2d 1282 (7<sup>th</sup> Cir. 1985). "[S]ection 4(i) is a 'necessary and proper clause' empowering the Commission to 'deal with the unforeseen ... to the extent necessary to regulate effectively those matters already within [the Commission's] boundaries.'" Similarly, Sections 4(i) and 218 (47 U.S.C. §218) were held to be broad enough to warrant the FCC's requirement that the BOCs' non-common carrier holding companies file certain reports with the FCC. *New England Tel. & Tel. Co. v. FCC*, 826 F.2d 1101, 1108 (D.C. Cir. 1987), citing *North American Telecom. Ass'n*, 772 F.2d at 1292.

The D.C. Circuit also approved the Commission's exercise of its Section 4(i) authority to require AT&T and the BOCs to reimburse customers for the carriers' 1978 earnings that exceeded the FCC's profit ceiling for those carriers even though the FCC had not suspended and investigated those rates or imposed an accounting order as contemplated by Section 204 of the 34 Act. The Court rejected the BOCs' argument that since the FCC had not followed the requirements of Section 204 imposing an accounting order, the FCC lacked authority to order any refunds. *U.S. West, Inc. v. FCC*, 778 F.2d 23 (D.C. Cir. 1985). Section 218 of the 34 Act authorizes the

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The FCC has, on many occasions, been involved with customer education or outreach programs to one extent or another. At times, the FCC has directed carriers or other segments of the telecommunications industry to engage in a customer outreach program in order to educate consumers about important developments in the industry. For example, the Commission decided that AT&T should not be permitted to receive all calling card calls dialed from payphones on a 0+ basis and devised a regulatory plan that permitted coin phone subscribers to select their long distance carrier or operator services provider of choice (*i.e.*, coin phone presubscription).<sup>18</sup> As a result of this change in regulations, a customer with an AT&T calling card would be able to make calling card calls on a 0+ basis only from those coin phones that had recently been presubscribed to AT&T, rather than from virtually any payphone throughout the United States. The FCC became concerned that this network change might confuse and frustrate consumers. Therefore, the Commission directed AT&T to “educate its cardholders to check payphone notices and to use 0+ access only at public phones identified as presubscribed to AT&T.”<sup>19</sup>

The large-scale introduction of new interstate services based on carriers’ ability to pass the calling party’s telephone number (“CPN”) raised the FCC’s concern that carriers would need to educate their customers about the possible impact of CPN-based services on customers’ privacy expectations. At that time, many consumers had an expectation that they could place an interstate long distance call without exposing their home or office telephone number to the calling party. The ability of carriers to transmit CPN on interstate calls ran counter to that expectation. Accordingly, the FCC decided to require carriers to educate their customers “regarding the availability of identification services and how to invoke the privacy protection mechanism.”<sup>20</sup>

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Commission to inquire into the management of common carriers and to seek necessary information from the carriers and their affiliates.

<sup>18</sup> *Billed Party Preference for 0+ InterLATA Calls*, Report & Order and Supplemental Request for Comments, 7 FCC Rcd 7714 (1992) (“BPP 0+ Order”).

<sup>19</sup> *Id.*, at ¶1.

<sup>20</sup> *Rules and Policies Regarding Calling Number Identification Service – Caller ID*, Report & Order and Further Notice of Proposed Rulemaking, 9 FCC Rcd 1764, at ¶60 (1994). *See also*, *Rules and Policies Regarding Calling Number Identification Service – Caller ID*, Memorandum Opinion & Order, Second Report & Order and Second Further Notice of Proposed Rulemaking, 10 FCC Rcd 11700, at ¶92 (1995) (“[C]arriers are responsible for conducting effective education programs.”); *Rules and Policies Regarding Calling Number Identification Service*, Notice of Proposed Rulemaking, 6 FCC Rcd 6752, at ¶23 (1991) (“We ask what, if any, other consumer education measures should be imposed. We seek comment on whether this education requirement should fall upon local exchange carriers or interexchange carriers or both. We seek specific proposals on how these education efforts can be best effectuated, and ask parties to include cost estimates with their proposals.”)

Wireless carriers were directed by the FCC to engage in a significant consumer education process with the rollout of wireless enhanced 911 services.<sup>21</sup> The Commission discussed the importance of consumer outreach as follows:

Education will be an extremely important element in consumers' understanding both the capabilities and limitations of wireless E911 services as well as the differences between the wireless and wireline systems. Consumers should be informed how to place a 911 call, and under what circumstances a 911 call will not be completed. Among other things, consumers should also be informed of their ability to reprogram their handsets to enable them to use either carrier in a cellular area, as well as the charges that could result from such reprogramming.<sup>22</sup>

Indeed, the FCC has even threatened local exchange carriers with financial penalties should they fail to publicize sufficiently the availability of equal access. The FCC stated that, in the event that a local exchange carrier failed to provide sufficient information and outreach to long distance carriers, those latter carriers "may pay the lesser charge for access that is not an equal access connection until the expiration of a six month (*sic*) period after it in fact receives such notice."<sup>23</sup>

There are also many occasions where the FCC, while not actually ordering carriers to engage in outreach, strongly recommended that carriers engage in such programs. For example, as part of its oversight of the industry's transition from three-digit to four-digit carrier identification codes ("CICs"), the FCC stated: "As with area code changes, it is in the carriers' best interest to emphasize customer education, because callers who know how to reach the carriers' services are more likely to use them."<sup>24</sup>

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<sup>21</sup> *Revision of the Commission's Rules To Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, Report & Order and Further Notice of Proposed Rulemaking, 11 FCC Rcd 18676 (1996).

<sup>22</sup> *Id.*, at ¶112.

<sup>23</sup> *MTS and WATS Market Structure*, CC Docket No. 78-72, Phase I, Memorandum Opinion & Order, 97 FCC 2d 834, at ¶80 (1984). See also, *MTS and WATS Market Structure Phase III: Establishment of Physical Connections and Through Routes among Carriers; Establishment of Physical Connections by Carriers with Non-Carrier Communications Facilities; Planning among Carriers for Provision of Interconnected Services, and in Connection with National Defense and Emergency Communications Services; and Regulations for and in Connection with the Foregoing*, CC Docket No. 78-72, Phase III, Memorandum Opinion & Order, 59 Rad. Reg. 2d (P&F) 1410, at ¶23 (1986).

<sup>24</sup> *Administration of the North American Numbering Plan Carrier Identification Codes (CICs)*, Petition for Rulemaking of VarTec Telecom., Inc., Second Report & Order, 12 FCC Rcd 824, at ¶44 (1997).

Another example of the Commission's active encouragement of carrier outreach to consumers occurred with respect to choice in selecting long distance carriers. In July 1990, the FCC released a public notice that encouraged "carriers serving the interstate and/or international markets to participate voluntarily in a consumer education program designed to familiarize the public with ways to access service providers."<sup>25</sup> The Commission was concerned that too many consumers "are unfamiliar with how to access their long distance carrier of choice from other than their home or business phone, or with how to access an alternative carrier from their home or business should their primary carrier experience network difficulties."<sup>26</sup>

Even if Section 225 of the 34 Act did not authorize the establishment and funding of a TRS outreach program by the FCC, it is very likely that a court would hold that the Commission had the power to do so under Section 4(i) of the 34 Act. The FCC is not exploring new ground with TRS outreach, rather, it is simply taking reasonable action that is warranted by the facts before it.

### **Funding Issues**

It would seem only reasonable that, since the FCC most certainly has statutory authority to direct carriers to engage in a customer outreach program, the Commission also has authority to direct that such program be funded from TRS contributions from carriers and their customers. The FCC previously determined that TRS should be funded on a shared basis among carriers because it determined that self-funding of TRS by carriers "would provide incentives for carriers to handle fewer relay calls, to degrade relay calling quality, to migrate relay customers to other carriers, and to restrict relay only to their presubscribed customers."<sup>27</sup> Given the reasoning behind the FCC's decision to fund TRS on a shared-contribution basis, it would be equally reasonable for the FCC to determine that were it to direct carriers to self-fund TRS outreach, those efforts would likely be less-than-effective.

Nevertheless, the 2<sup>nd</sup> R&O and FNPRM questions whether the interstate TRS fund could be used to compensate third parties (i.e., non-service providers) for the costs of establishing and operating a coordinated outreach program and whether the cost recovery provisions of Section 225 of the 34 Act require any portions of a consumer outreach program that would be implemented on a state level (rather than solely at the national level) be compensated by the states.<sup>28</sup> As previously discussed, Section 225 clearly contemplates that third parties may be involved in the provision of TRS since the law specifically authorizes carriers to fulfill their obligations through a variety of ways, including through the use of outside contractors. Therefore, it seems only reasonable that carriers could also use third-party vendors to fulfill their outreach obligations. Any other reading of Section 225 does not seem sensible.

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<sup>25</sup> *Common Carrier Bureau Encourages Voluntary Carrier Participation in Consumer Education Program*, Public Notice, 5 FCC Rcd 4860 (1990).

<sup>26</sup> *Id.*

<sup>27</sup> 2<sup>nd</sup> R&O, 8 FCC Rcd 1802, at ¶21.

<sup>28</sup> *Id.*

It is very unlikely that a court would consider an FCC order that would increase the size of the TRS fund to cover the added costs of consumer outreach as an unlawful exercise of the legislative power to tax. The leading case on this issue is *U.S. v. Munoz-Flores*.<sup>29</sup> In *Munoz-Flores*, a criminal defendant who had pled guilty to federal misdemeanors was ordered to pay a monetary fee to a crime victims fund that was established by federal statute. The defendant argued that the statute in question was unconstitutional because the fee was a tax and the bill authorizing the fee (a/k/a tax) originated in the Senate, rather than in the House of Representatives as required by the Origination Clause of the Constitution.<sup>30</sup> The Supreme Court held that the crime victims fund fee was not a tax because it was part of a statute that created a specific government program and that raises revenue to support that program, as opposed to a statute that raises revenue to support the government generally.<sup>31</sup>

Applying this same rule of law, the Fifth Circuit held that fees imposed on carriers (and ultimately upon their retail customers) did not constitute a tax since they were part of the new universal service program enacted by Congress.<sup>32</sup> There does not seem to be any reason to treat TRS fees different from those imposed to support universal service.

There is no requirement under any applicable statute or rule for the FCC to require a contribution from state TRS funds to the federal outreach program (either directly or through the jurisdictional separations process) simply because the federal program may also promote increased use of TRS for intrastate calls. The FCC's outreach program would primarily encourage the increased use of interstate TRS, but there might be also be some ancillary increases in intrastate services simply because more Americans would become familiar with TRS and use it more often. Similarly, some states, including Maryland, have implemented their own outreach programs to stimulate the use of intrastate TRS, but may have also stimulated interstate TRS usage as well. It would be wasteful for either the FCC or the states to attempt to measure the costs and benefits of stimulating TRS usage for the "other jurisdiction." The more appropriate course would seem to be just to recognize the added stimulation as an economic externality.<sup>33</sup>

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<sup>29</sup> *U.S. v. Munoz-Flores*, 495 U.S. 385 (1990).

<sup>30</sup> U.S. Const., Art. 1, §7, cl. 1. The so-called "Origination Clause" requires that every "bill for raising revenue" must originate in the House of Representatives.

<sup>31</sup> *Munoz-Flores*, 495 U.S. at 398.

<sup>32</sup> *Texas Office of Pub. Util. Counsel v. FCC*, 183 F.3d 393 (5<sup>th</sup> Cir. 1999); *cert. dismissed sub nom., GTE Service Corp. v. FCC*, 531 U.S. 975 (2000).

<sup>33</sup> As noted in the 2<sup>nd</sup> R&O and FNPRM, costs that presently being incurred by dominant carriers for their outreach efforts required by Section 64.604(c)(3) of the Commission's rules are divided between the inter- and intrastate jurisdictions, with the interstate portions recovered via the interstate shared TRS fund. Based on its authority granted by Section 225 of the 34 Act, the Commission could, however, direct that all dominant carrier costs associated with a coordinated national outreach campaign be recovered solely from the interstate TRS fund, with costs for state-specific outreach programs to be recovered via state TRS funding mechanisms.

### **Conclusion**

The FCC appears to have strong legal support for directing the establishment of a nationwide outreach program for TRS and to order that such program be supported via the interstate shared funding mechanism.

## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of NECA's Comments was served on this 24<sup>th</sup> day of September 2003 by hand delivery or by first-class mail to the persons listed below.

By /s/ Robert Falkner  
Robert Falkner

The following parties were served.

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